

September 19, 1997

Mr. Seyed Sadredin
Director of Permit Services
San Joaquin Valley Unified
Air Pollution Control District
1999 Tuolumne Street, Suite 200
Fresno, CA 93721

Re: Proposed Federally Mandated Operating Permits

Dear Mr. Sadredin:

This letter provides our comments on nine proposed San Joaquin Valley Unified Air Pollution Control District (District) federally mandated operating permits received by EPA on August 5, 1997. During our review period, we discussed several concerns with the District, including issues that potentially could result in a formal EPA objection. The District has responded by working closely with us to address many of these issues. While EPA and the District have reached general agreement in many areas, there was inadequate time to address each concern prior to the end of EPA's 45-day review period. Although we will continue to work as before to resolve these issues, because our 45-day review is expiring, we must now respond to the nine permits as proposed.

Based on our review of the proposed permits and the supporting information, EPA formally objects, pursuant to our authority under 40 Code of Federal Regulations ("CFR") §70.8(c) (see also District Rule 2520, Section 11.7.1), to the issuance of the proposed permits for Texaco Trading and Transportation Inc., Stockton East Water District, Varco Pruden Buildings, CDR Systems Corporation, and E and J Gallo Winery. A detailed explanation of the objection issues and suggested changes to make the permits consistent with the requirements of Part 70 is enclosed. In addition, we are providing comments on the permit for Earthgrains Baking Companies, Inc. - Fresno Bakery.

Under 40 CFR §70.8(c), EPA may object to a proposed Part 70 permit which is determined not to be in compliance with applicable requirements, or fails to meet the requirements of Part 70. After EPA objects to a permit, the permitting authority has 90 days to satisfy the objection. If the 90 days pass without the objection being fully satisfied, section 505(c) of the

Clean Air Act and 40 CFR §70.8(c)(4) require that the authority to issue or deny the permit pass to EPA. Because the objection issues must be fully corrected within the 90 days, we suggest that revised permits be submitted in advance in order that any outstanding issues can be addressed prior to the expiration of the 90 day period.

As discussed between yourself and Matt Haber of EPA, EPA's comment period for the three remaining permits, Lodi Metal Tech Inc., Guardian Fabrication Inc., and Pacific Gas & Electric is not expiring because we have not received all information necessary to complete our review. 40 CFR §70.8(c)(1). San Joaquin is currently collecting information to make a final determination regarding applicable requirements for these sources. We anticipate that once San Joaquin has supplied us with this information, we will be able provide comments to the District regarding any additional language that may be necessary in less than 45 days. We appreciate the information that the District has previously provided us regarding other applicable requirements for these sources.

I would like to thank you and your staff for all your help in providing information and in discussing these issues with us. San Joaquin's engineering analyses, provided with each permit, have been a valuable tool in determining whether all applicable requirements have been addressed. We are committed to working with you to resolve these issues. If you have any questions concerning our comments, please contact Matt Haber at (415) 744-1254.

Sincerely,

David P. Howekamp
Director
Air Division

enclosures

cc: Martin Keast, SJVUAPCD
Rick McVaigh, SJVUAPCD
Ray Menebroker, CARB
Stockton East Water District
Earthgrains Baking Companies, Inc. - Fresno Bakery
CDR Systems Corporation
E and J Gallo Winery
Pacific Gas & Electric
Texaco Trading and Transportation Inc.
Varco Pruden Buildings
Lodi Metal Tech Inc.
Guardian Fabrication Inc.

Enclosure 1
Source-Specific Comments

E and J Gallo Winery (Project #970064)

Objection Issues

1. Representative Source Testing. The representative source testing provisions for the three Gallo boilers (units 1, 3, and 4) are based on template SJV-BSG-4-0. As EPA noted in our April 16, 1997 letter to the District, the representative source testing provisions in the boiler template were not included in the proposed templates submitted to EPA for review. In addition, the April 16 letter noted several problems with the representative source testing language, including that the definition of “similar units” is vague, and specified that additional restrictions in the criteria would be necessary before EPA could allow the use of “representative” source testing in lieu of testing individual units. These restrictions are necessary in order that “representative” engines are truly similar in terms of size of units, level of emissions from the units, and maintenance requirements. Therefore, this permit may not be issued with the current “representative” source testing condition. We recommend that the District delete these provisions or add the restrictions identified in our April 16, 1997 letter.

We also recommend that the District amend the first series of the BSG templates, including template numbers 4, 6, 7, 8, and 9, to avoid this issue in future Title V permit reviews. While final templates are generally not subject to further EPA and public review during the review period for individual Title V permits, this condition was added without EPA and public notice and is not a valid portion of the templates. While this condition may not be included in Title V permits, we believe that the District could follow our April 16, 1997 guidance to develop acceptable conditions for representative source testing.

2. APCO Discretion. The final conditions in the sub-section for each boiler contain a condition that states “Compliance testing shall be conducted at a frequency determined by the Control Officer.” This condition is not acceptable because it does not assure that testing will be sufficient to assure compliance with all applicable requirements. District staff have agreed to remove this condition. The permit shield from District Rule 1081 may also be inappropriate if specific compliance testing requirements are not set out.
3. Compliance Method. The permit must contain a method for determining compliance with the daily mass emission limits for NO_x, CO, VOC and PM₁₀ for the 62 mmbtu/hr and the two 75 mmbtu/hr boilers. While continuous emission monitoring would provide the most accurate method for determining compliance, monitoring could also be based on an emission factor developed through source testing. To avoid 24-hour source testing, we suggest that the District require that the three hourly stack tests required by the District’s source test rule be conducted at maximum capacity, averaged, and then multiplied by 24

to determine compliance with the daily limit.

In addition, the CEMS reports for the 142 mmbtu/hour unit should be used to calculate compliance with the 24-hour emission limits for that unit. Therefore, the District should require that the CEMS reporting include the daily emission rate.

4. Periodic Monitoring for NO_x and CO Limits. The boilers, which comprise the majority of the emission units and emissions at the source, have a potential to emit of 53.5 tpy NO_x and 219.9 tpy CO. The permit currently does not contain periodic monitoring requirements to ensure that the emission controls for the boilers are continuously operated. District Rule 4305 requires that the company develop a monitoring plan, and this plan may be adequate to satisfy periodic monitoring requirements. In addition, each boiler is equipped with flue gas recirculation and most are equipped with oxygen monitors. Therefore, we recommend that the District use these monitors to determine an acceptable range of operating parameters that is specified in the permits and require monitoring for these parameters.

Comments

1. Appropriate Permit Conditions. We agree with the District that certain conditions from the permit template, which allow combustion of diesel fuel, are not applicable to this source, since the source may only combust natural gas. While the permit limits the source to combusting only natural gas, the language from the template contains contradictory language (i.e. Condition B.2. states “Unit shall be fired on PUC-regulated natural gas or on diesel fuel...”) which may be confusing. We strongly encourage the District to delete any conditions that are not applicable to this source in order to avoid confusion.
2. PM₁₀, Opacity, and VOC Limits. The permit does not contain conditions for determining whether the four boilers are in compliance with their daily PM₁₀ and VOC limits and opacity limit. Because the units are limited to firing on natural gas, then the District can likely demonstrate that current permit conditions will assure compliance. If not, the District must provide monitoring to assure compliance with these requirements.
3. Source Testing Frequency. EPA recommends that in the case where the permit allows for reducing the frequency of source testing after two tests demonstrate compliance, that the condition should also require the source to return to more frequent testing if noncompliance is found during a test. As written, the permit currently allows the source to test a boiler every three years after it passes two stack tests, even if the boiler later violates its emission limit.

4. Compliance Schedule. E and J Gallo's permit application states that the source was not in compliance with NSPS monitoring requirements at the time the application was submitted (January 17, 1997). Because the proposed permit does not include a compliance schedule for these requirements, we assume that the District has determined that E and J Gallo has corrected this non-compliance. We recommend that the District explain the source's compliance status in the District's response to our comments. The proposed permit must ensure compliance with all NSPS requirements, and must include a compliance schedule if E and J Gallo Winery is not in full compliance.
5. Averaging Times. The permit does not specify the relevant averaging times for the pollutant concentration limits in the permit. Therefore, an appropriate averaging time should be added to the permit that is consistent with the compliance method. Examples of appropriate averaging times would be the average of three one hour source tests or, for a source with continuous emission monitoring (CEMS), hourly, or any shorter averaging times as specified in State or District rules or policy.

Texaco Transportation and Trading Inc. (Project #970338)

Objection Issues

1. Periodic Monitoring. The proposed permit for Texaco does not contain any compliance requirements for the NOx and CO limits in the permit and inadequate compliance requirements for the PM and sulfur limits. Therefore, stack testing and other monitoring must be added to the permit. We recommend requiring annual source testing for all pollutants. We also recommend specifying allowable operating parameters for the boilers and monitoring these parameters. Finally, we recommend specifying the allowable nitrogen and ash content of the crude oil and requiring periodic fuel sampling.

The boilers, which comprise the primary emission units at this facility, are subject to a limit on the sulfur content of the fuel of 1.5%. San Joaquin also uses the 1.5% sulfur content limit as the basis for demonstrating compliance with the particulate matter and SO₂ mass emission limits. The fuel combusted is crude oil, which is not homogeneous, and is likely to vary with the supply. One test per year does not assure compliance with the sulfur content limit, and therefore does not assure compliance with the other limits. Further, the ash content of the crude may also affect the PM emissions. Therefore, once the unit is tested and has shown compliance, the ash content of the fuel at the time the unit is tested should be used as a monitoring parameter. The District must specify a monitoring frequency for sulfur and other parameters affecting these three limits which is adequate to assure compliance. Because crude-fired emissions are much higher and more variable than when firing natural gas, the compliance requirements may be reduced when the source discontinues combusting crude oil.

We understand that the District is considering requiring a source test within two months from the issuance of the Title V permit, and that the source will burn only natural gas after May, 2001. We believe that requiring a source test within two months from permit issuance would be more useful than requiring a fourth annual test. Therefore, we suggest requiring source testing within two months of permit issuance and allowing the source to skip its fourth source test on crude oil if the source continuously complies with the permit limits and the permit requires the use of natural gas after May, 2001.

2. Compliance Method. As we noted in our comments on E and J Gallo's permit, the permit must contain a compliance method for determining compliance with the daily mass emission rate limit. See objection issue #3 under E and J Gallo above.
3. Opacity. Facility-wide condition number 22 contains an opacity limit of Ringlemann Number 1 (20% opacity). In our November 26, 1996 comments on the facility-wide model general permit templates, we stated that

“EPA is concerned that this condition does not discuss the source test method that will be used to meet the opacity requirement and does not discuss the frequency for aide source test. Please add a statement that ensures compliance with this limit shall be based on specific test methods(s) and/or a specific rule. In general, we realize it may not be appropriate in the umbrella template to identify the frequency of, and test method for, each source test for each pollutant. However, where the umbrella template does not address test methods or monitoring frequency, we expect to see details about such compliance monitoring in all source specific permits issued by the District.”

San Joaquin has not included any frequency for opacity monitoring for this facility. It is our understanding that the units are firing only on crude oil currently, and do not have the capability of firing on natural gas, therefore opacity monitoring must be included to assure compliance. We believe that this monitoring on a daily, or at a minimum weekly, basis, may be necessary to assure compliance with the opacity limit. The following general condition could be included in the permit. An example of an opacity monitoring provision for generally applicable opacity requirements is included in enclosure 5.

Comments

1. Fuel Oil. The proposed Title V permit changes several references in the construction permit from fuel oil to crude oil. We recommend that the District either 1) demonstrate that the change to specifying crude oil will not result in increased emissions or 2) retain the existing language.

2. District Emission Limits. We understand that the facility will be subject to District enforceable emissions limitations. We suggest including these limits as District-only conditions so that the permit will include all emission limits that apply to the source.
3. Averaging Times. The permit does not specify the relevant averaging times for the pollutant concentration limits in the permit. Therefore, an appropriate averaging time should be added to the permit that is consistent with the compliance method. Examples of appropriate averaging times would be the average of three one hour source tests or, for a source with continuous emission monitoring (CEMS), hourly, or any shorter averaging times as specified in State or District rules or policy.

CDR Systems Corporation (Project #960660)

Objection Issues

1. Styrene emission testing. The facility has a several types of VOC emission limits. The first limits emissions in units of lbs/square meter, for which there is a SCAQMD method provided to determine compliance. For the resin styrene monomer content limit, an ASTM method is specified to determine compliance. The permit also contains a set of limits, depending on the application process, on the amount of VOC that can be emitted as a percent of the styrene monomer content of the resin. Condition 21 of the permit states in part that, "The VOC emissions rate shall be calculated by mass balance by determining the weight loss during polymerization for one representative sample for each of the layup and molding processes." We believe that this mass balance test method, which relies on weighing a representative product before and after the resin is applied, does not produce accurate results because it does not specify how the product is to be weighed, or how long the resin will be allowed to off-gas before the second measurement is taken. We are concerned that without a specific test method, the results will not be consistent and are unlikely to be valid. San Joaquin must develop more specific test requirements. Some of the elements that this test method include the following:
 - A high-precision scale with adequate capacity for the mold and part must be used. Especially for low emission limits (1.5% of the styrene monomer content of the resin), accurate measurements are critical.
 - The weights of all materials, overspray, if applicable, the mold, and part must be recorded correctly in the beginning and at the end when curing is complete. All tools that come into contact with gel coat or resin materials must be weighed before and after the testing so that any materials adhering to these items is accounted for.
 - An accurate means of determining the amount of resin applied must be specified. If possible, the resin container should be weighed before and after the application.

- Initial and final weights of other materials, such as fiberglass reinforcement and catalyst should be recorded.
- A mass balance equation should be included. The equation should consider the following elements: overspray, if a spray application method is used, initial and final weight of tools and other items coming into contact with the resin, the initial and final weights of materials including gel coat, resin, catalysts, fiberglass, and of the pump system, the empty weight of the mold, and final weight of the mold with part.
- A specification of when the second measurement will be recorded. This should probably be when the resin has completed the curing process.
- A requirement to record all parameters measured in the test, and the times when each measurement is taken.

Without a detailed method, results will vary and be inaccurate. Of greatest concern is that there is no specification for when the “after” measurement will take place. If the second measurement takes place before the resin is completely cured, the amount of styrene emitted will be underestimated.

2. Compliance with VOC Mass Emission Limit. In order to assure compliance with the 250 lb/day VOC emission limit in permit condition B.15, daily recordkeeping requirements must be added to the permit. In order to demonstrate compliance with this limit, CDR must be required to keep records of the amount and type of resin used, including the resin’s styrene content, in each process each day. Records of the amount, in gallons, and solvent content of cleaning solvents must also be required. This information would also be adequate to demonstrate compliance with the cleaning material limitations in permit condition B.20.
3. Incomplete Compliance Demonstration. The District presented a demonstration to show that the source’s operations would not likely exceed the PM emission concentration limit of Rule 4201 and the PM emission rate of Rule 4202, since the maximum estimated emissions at the facility are below the limits. Accordingly, the analysis states that no additional monitoring is needed. (The maximum PM mass emission rate and operational parameters used in the calculations were based on the August 14, 1987 engineering evaluation done by Kings County for the source.)

However, according to San Joaquin’s staff members during the conference call on September 16, 1997, the data employed in the demonstration may not be entirely reliable. For example, the estimated maximum PM mass emission rate of 11.5 lb/hr came from an unverified assumption that approximately 0.1% of the mass of work piece materials is emitted into the air in the form of PM during grinding operations.

Thus, it seems evident that the existing data cannot be relied upon to demonstrate compliance with the emission limits. Consequently, unless San Joaquin can provide EPA with new information that no additional monitoring is needed, the District must require initial stack testing to determine compliance and adequate periodic monitoring to assure continued compliance. EPA's review of proposed NSR permits from the District for cotton gin sources, which have some units with air flow rates higher than that of CDR, indicates that it is technically feasible to source test for PM under similar operating conditions. (If the source has trouble meeting the PM emission limits, a control device, such as a cyclone, may help achieve compliance.)

Note: The maximum process weight rate of 1.44 tons/hr used in the demonstration to obtain the maximum allowable emission rate is incorrect. The correct number is 0.48 ton/hr (converted from 23,000 lbs/day). Accordingly, the correct calculated maximum emission rate for PM is 2.28 lbs/hr.

4. Missing Applicable Requirements. The District stated in the engineering analysis of the permit that since the total capacity of all organic storage tanks at the facility is less than 19,800 gallons, the operation is not subject to the control requirements of Rule 4623. However, this does not exempt the tanks from the recordkeeping requirements of Rule 4623. The District must add condition(s) to address these requirements in order to address all applicable requirements, and before a complete shield from Rule 4623 can be granted in Condition 22 (Permit C-246-1-2).
5. Opacity. For this facility, opacity may result from the grinding operations. The District has not addressed the frequency of testing necessary to assure compliance with the 20% opacity limit. The District must either provide a frequency for such monitoring in the permit, or provide a demonstration that current permit conditions assure compliance. See Texaco objection issue #3.

Comments

1. The District did not include Standard Element 7.0 of District Rule 2070 in the comparison of requirements between District Rule 2070 and Kings County Rule 208 (Table 5 in the engineering analysis portion of the permit).

Stockton East Water District (Project #960618)

Objection

1. Representative testing for PM. This source has elected to use the IC engine template SJV-IC-1-0. While we did not comment on representative testing for particulate matter

in the IC engine templates in September of 1996, we did so in our letter of April 16, 1997 regarding Boiler and Steam Generator templates. At that time, we stated that representative testing could be acceptable only if certain criteria were met. For example, EPA believes that representative testing might be acceptable if the number of sources are known, the amount and types of emissions are known, and the similarity of sources is defined. For a more specific discussion of this issue, please refer to our April 16, 1997 letter, which is enclosed.

There are three templates in which representative testing appears: the IC engine templates, the first set of BSG templates, and the second set of BSG templates. In the IC engine templates, we had the opportunity to review this issue in September 1996; however, we erred by not identifying it as a problem. In the first set of proposed BSG templates, representative testing was added after the templates were submitted for review, so EPA did not have the opportunity to review the language. In the second set of BSG templates, we commented on the language, but we have not received the final template, so we are uncertain if our comments were addressed.

To be consistent with our position in the letter of April 16, 1997 where we explained our position on representative testing, we believe both the IC engine templates and the first set of BSG templates must be corrected to address this problem.

2. NOx compliance testing. This source has four diesel internal combustion engines which represent the majority of emission units and emissions. Units N-823-1-1 and N-823-2-1 are limited to 87.5 lbs NOx/day, and are required to be operated with timing retarded four degrees from manufacturer's standard timing. Units N-823-3-1 and N-823-4-1 are limited to 240 lbs NOx/day and are also required to operate with timing retarded to four degrees. However, there is nothing in the permit to assure compliance with the emission limits, or that the timing retard is maintained at four degrees. The permit should include a condition for periodic tuning to verify that the proper setting for the engine timing retard is maintained. San Joaquin must incorporate testing requirements, and periodic monitoring such as good O&M, to assure compliance with these requirements. Rule 4701, while identified in the permit as "District only" may contain monitoring requirements which could be used to assure compliance.
3. Opacity. This source, which consists primarily of diesel internal combustion engines, is subject to the 20% opacity limit. The District must include a monitoring frequency for conducting Method 9 emission tests and/or other visible emission observation requirements as are necessary to assure compliance. See also Texaco objection issue #3.

Varco Pruden Buildings (Project #960573)

Objection Issues

1. Authority to Construct Permit Conditions - Vac-U-Paint Coater (unit # N-2274-3-0). The Title V permit for Varco Pruden must ensure compliance with all emission limits from the August 27, 1991 Authority to Construct for the Vac-U-Paint coater. EPA and District staff have agreed that the 240 g/l limit on the VOC coating from condition #1 will be added to the Title V permit. Condition #2 of the ATC permit also contains a daily use limit of 66.5 gallons per day, which limits emissions to 133.2 lbs VOC/day. Therefore, the proposed Title V permit limit of 139.00 lbs VOC/day must be lowered to 133.2 lbs VOC/day. In addition, the permit analysis must demonstrate that the Title V permit limit in lbs VOC/day is as stringent as original ATC limit expressed in lbs ROG/day.

In addition, the original ATC contains several operational limits that are not included in the proposed Title V permit. These two limits are the 16 hour per day operational limit and the 66.5 gallon per day coating limit. If these requirements establish emission limits (by limiting the source's potential to emit) or are necessary to ensure compliance with the applicable emission rates, they must be added to the Title V permit. Otherwise, the District may wish to take advantage of the flexibility offered in the July 10, 1995 "White Paper for Streamlined Development of Part 70 Permit Applications." The White Paper suggests using parallel processing to amend the original ATC to remove "extraneous" conditions at the same time a Title V permit is public noticed. Since we understand that the District intends to re-notice these Title V permits, you may wish to consider this option.

2. Lowest Achievable Emission Rate (LAER) and Offsets for Dip Tank and Gage Dip Tank (units #N-2274-3 and N-2274-4). The Title V permit and the original authority to construct permit (permit number 6-009, issued November 17, 1987) for these two units do not contain or reference any New Source Review requirements. The Stanislaus State Implementation Plan (New Source Review Rule 209.1, which was approved into the SIP on July 25, 1980) includes Lowest Achievable Emission Rate (LAER) and offset requirements. We believe that because this equipment is a major modification (the potential to emit the dip tank is not defined, but based on actual emissions exceeds half a ton of VOC per day), the source should have applied LAER and obtained offsets. Therefore, the Title V permit must ensure compliance with all applicable NSR requirements. If additional controls and/or the purchase of offsets are required to comply with NSR, the permit must also contain a compliance schedule for meeting these requirements.
3. PM10 Emission Limits. We understand that PM10 emissions from the Beam Coating Operations are due to paint overspray. The permit must contain enforceable conditions to ensure compliance with the daily emission limit of 145.2 lbs PM10/day, SIP Rule 404 (0.1

grain PM/dscf), and SIP Rule 405 (PM emission rate based on process throughput). District staff have suggested that PM10 emission rates could be determined based on the solids content of the coating and the transfer efficiency of the coating method. EPA would agree to this method if 1) the permit requires that the source record the total solids of coatings used and 2) the necessary transfer efficiency is an enforceable permit condition.

4. Opacity Limits. See Texaco objection issue #3.

Comments

1. NSR Applicability to Beam Coating Operation. We understand that this unit was subject to NSR in 1996 due to a modification that did not increase emissions and did not trigger BACT. We recommend that the District revise the final permit analysis to explain this distinction.
2. General Conditions. We understand that the District generally uses the permit template conditions even where the source does not specifically request them. We suggest that the District identify whether they are using the template conditions, or any differences, to assist our review of your permits. In addition, we suggest correcting a typographical error in condition number 8, which lists two items as item #5.
3. Vac-U-Coater Paint Log. The sample paint log shows the same VOC emissions for each day, except that it contains two entries dated 9/19/96. We recommend that the District determine whether this was a bookkeeping error or an emission exceedance and whether any additional compliance requirements are necessary. In addition, we suggest requiring a signature for each entry into the coating usage log for the 2600 gallon dip tank (as was done for the other logs).
4. State Implementation Plan Rule 409. We understand that District staff are evaluating the applicability of Rule 409, which requires that emission units emitting over 40 pounds per day of any organic materials reduce these emissions by 85%. The final Title V permit must ensure compliance with Rule 409 unless the District's revise permit analysis demonstrates that this requirement does not apply. Since similar controls may also be required by LAER, the District need not conduct a Rule 409 applicability determination if LAER requirements or other SIP requirements are as stringent or more stringent than Rule 409.

Earthgrains Baking Companies, Inc. - Fresno Bakery (Project #960665)

Comments

1. Flour handling system O&M. The proposed permit contains a 0.1 grain/dscf particulate matter emission limit, and a 20% opacity limit. San Joaquin has demonstrated that, if the fabric filters and cyclones are operating correctly, that these units will be in compliance with the emission limits. However, no stack testing is required, and the permits do not provide for any O&M to assure that the filters will always achieve the level of control necessary to assure compliance. San Joaquin has agreed to include the following language in the permits to address the O&M requirements:

-Dust collector filters shall be inspected daily while in operation for evidence of particulate matter breakthrough and replaced as needed. [District Rule 2520, 9.4.2] - Federally Enforceable Through Title V Permit

-Dust collector filters shall be inspected at least weekly while not in operation for any tears, holes, abrasions, and scuffs which might interfere with the PM collection efficiency and shall be replaced as needed. [District Rule 2520, 9.4.2] - Federally Enforceable Through Title V Permit

-At least one spare set of dust collector filters shall be maintained on premises at all times. [District Rule 2520, 9.4.2] - Federally Enforceable Through the Title V Permit

-Records of dust collector inspections, maintenance, and repair shall be maintained. These records shall include identification of the dust collector, date of inspection, any corrective action taken as a result of inspection, and initials of the personnel performing the inspection. [District Rule 2520, 9.4.2] - Federally Enforceable Through Title V Permit

Enclosure 2
General Comments
Applicable to All Proposed Permits

1. Insignificant Activities. The proposed permits each contain an “Attachment B, Exempt Equipment.” The heading for the list reads “The following exempt equipment was identified by the applicant on TVFORM-003, Insignificant Activities.” There is an important distinction between “insignificant activities” and “exempt equipment.” “Exempt equipment” generally refers to equipment that is exempt under local construction permitting requirements, while “insignificant activities” are not exempt from applicable requirements under Title V. As discussed in our conference call of September 16, 1997, the District has agreed to add language to the general permit conditions to clarify that the insignificant activities listed in Attachment B of each permit are subject to generally applicable requirements.
2. Permit Shield. Several of the proposed permits contain permit shields which state “compliance with permit conditions in the Title V permit shall be deemed compliance with the following applicable requirements...” This language was developed for the templates, and is true, in the case of templates, only for the equipment covered by the template. In the context of a source specific permit, while the shield is located under unit-specific headings, it could be read to apply to any equipment at the source, and should be clarified to apply only to the units covered by the applicable templates. We are requesting a change only for clarification, which will not affect the intended applicability of the shield. The following language could be used:

“For the following equipment [], compliance with the permit conditions will be deemed...”

3. Facility-Wide Permit Conditions.
 - a. All permits contain language inconsistent with a Part 70 requirement that the operator submit reports of any monitoring at least every six months. The language must be corrected as per EPA comments on the same condition in the umbrella template, which provide that monitoring reports be submitted every six months, unless an applicable requirement requires more frequent submittal.
 - b. As EPA commented on previous templates, when a District rule is cited (cross-referenced) within a permit condition, the latest amendment date should be included so that it is clear to a source with which version of the rule it must comply. The following conditions in the facility-wide permit language require this addition: Conditions 4, 11, 22, 24, 27, 31, 32, and 33, as well as any occurrences in the source-specific portions of the permit.

4. Risk Management Plans. We recommend that for sources required to submit a risk management plan (RMP) under section 112(r) of the Clean Air Act, the following language be included in the permit (see also the applicable permit requirements contained in 40 CFR §68.215):

“This facility is subject to 40 CFR part 68. The facility shall submit a risk management plan (RMP) by June 21, 1999, or other dates specified in 40 CFR 68.10. The facility shall certify compliance with these requirements as part of the annual compliance certification as required by 40 CFR part 70.”

When the District believes that the facility could be subject to the requirements or the owner or operator wants flexibility to preclude a permit reopening if the source becomes subject to 112(r), the following language could be used instead:

“Should the facility, as defined in 40 CFR §68.3 become subject to part 68, then the owner or operator shall submit a risk management plan (RMP) by the date specified in 40 CFR §68.10. The facility shall certify compliance as part of the annual certification as required by 40 CFR part 70.”

We recommend that the District add the general permit template condition for 40 CFR part 68 (Risk Management Plans) to the permits for E and J Gallo, Varco Pruden, and to all others where appropriate.

Enclosure 3
Interim Comments

Guardian Fabrication (Project #960666)

1. Missing Applicable Requirements. The District did not include as a permit condition the applicable emission limit from Rule 4661. The source must either comply with a 40 lb/day limit, or if a permit condition is added to restrict the use of photochemically reactive solvents, a limit of 3000 lbs/day. In either case, recordkeeping requirements associated with the use of such solvents must also be added to the permit.
2. State Implementation Plan Rule 409. We understand that District staff are evaluating the applicability of Rule 409, which requires that emission units emitting over 40 pounds per day of any organic materials reduce these emissions by 85%. The final Title V permit must ensure compliance with Rule 409 unless the District's revise permit analysis demonstrates that this requirement does not apply.

Lodi Metal Tech (Project #960566)

1. Missing Applicable Requirements Condition 12 (N-1002-1-1 and N-1002-2-2) and Condition 9 (N-1002-3-1) do not fully address the labeling requirements of District Rule 4603, Sections 6.1.1 and 6.1.2. Therefore, the District must either add permit condition(s) to address these requirements or remove them from the shield's scope of applicability.
2. Modification of Permit Conditions Language. As discussed during EPA's conference call with the District on September 9, 1997, the District will check into whether the language in Condition 14 (N-1002-1-1 and N-1002-2-2) and Condition 11 (N-1002-3-1) could be modified to require the determination of the VOC content of any coating, as applied, be determined either: 1) by analysis using EPA Method 24 on an annual basis; or 2) by product data sheets provided by the coating manufacturer and certification that EPA Method 24 was used to determine the VOC content. Copies of the data sheets, certification, and calculations to determine the VOC content of the coating as applied shall be maintained to show compliance. (This language is similar to that employed previously in the District's final metal can surface coating templates.) While this is a different source category, the issue is the same: manufacturer's data may not be sufficient to determine compliance. For example, MSDS often specify VOC content as a range. In order to insure that compliance demonstrations based on manufacturer's data are accurate, such a requirement is necessary.
3. State Implementation Plan Rule 409. We understand that District staff are evaluating the applicability of Rule 409, which requires that emission units emitting over 40 pounds per day of any organic materials reduce these emissions by 85%. The final Title V permit

must ensure compliance with Rule 409 unless the District's revise permit analysis demonstrates that this requirement does not apply.

Pacific Gas and Electric (Project #960822)

1. Prevention of Significant Deterioration Applicability. The permit analysis identifies three diesel-fired internal combustion engines that were constructed within a five year period. We understand that the District does not know the size nor the installation date of other equipment that was not subject to District permitting. Therefore, EPA requests that the District provide us with your analysis of whether a cumulative emissions increase exceeded the Prevention of Significant Deterioration (PSD) significance thresholds (such as the 40 tons per year NO_x threshold in 40 CFR part 52). We also request that you provide us with the size, date of installation, and potential to emit of fuel burning equipment (i.e. boilers and internal combustion engines) that was installed from 1982 to 1989.

In addition, we understand that the large engines at this facility were constructed prior to the PSD program. We recommend that the District address PSD applicability, even for sources that are not subject, in Title V permit reviews.

2. Portable Analyzers. The permit for this facility requires that Pacific Gas & Electric measure emissions with a portable analyzer to determine compliance with the permit's emission limits. We agree that the use of the portable analyzer will help meet the periodic monitoring requirements for this source if enough data exists to show that the analyzer is as accurate as EPA-approved source testing methods. We request that the District provide us with data on the accuracy of the portable analyzers.

We understand that source testing using approved methods may be conducted less frequently than annual. We had understood the proposed permit conditions to require source testing annually, and we request that the District confirm how often it intends to require source testing.

Enclosure 5

Opacity Monitoring Example

For compliance with the monitoring requirement for the general opacity standard, where monitoring is not addressed elsewhere in the permit for an individual unit, the permittee shall conduct at least once each [e.g. day, week, month] visual opacity inspections of each emission point at the facility during daylight hours. Visual inspections shall consist of a visual survey of all stacks and emission points to identify those which exhibit opacity greater than zero percent. Stacks and emissions points shall be visually evaluated when associated emissions units are operational. The formal assessment does not eliminate the permittee's on-going responsibility for the proper operation of equipment and control devices to meet the applicable opacity requirement. Whenever visible emissions other than uncombined water are observed during the inspection, indicated by a compliant, or are otherwise observed, the permittee shall do either of the following:

- 1) Verify and certify that the emission unit causing the emissions, or the emissions control device that is associated with the emission unit, is performing its normal, designed function and is being operated according to standard procedures, and per the conditions under which compliance has been met in the past. If the equipment or control device is not performing according to design and procedures, the permittee shall take corrective action to eliminate visible emissions within [24 hours]. Taking corrective action does not negate any reporting requirements for deviations or other credible evidence indicating a deviation; or
- 2) Perform a check via a certified opacity reader, in accordance with 40 CFR 60, Appendix A, Method 9. Such a check shall be conducted, [within 3 working days], to verify compliance with the [20 percent] opacity standard. If opacity is [20 percent] or greater, appropriate and timely action shall be taken, but no later than [within 3 working days] to identify and correct the problem causing the opacity. Taking corrective action does not negate any reporting requirements for such deviations.

With respect to the above requirements, the permittee shall maintain the following records:

1. Date and time of inspection
2. Stack or emission point identification
3. Operational status/conditions of the associated emission unit
4. Observed results and conclusions
5. Description of corrective actions taken to resolve any observed opacity
6. Date and time opacity problem was resolved
7. Method 9 results if testing is conducted
8. Name of person(s) performing the inspection, measurement, or monitoring

Mr. Seyed Sadredin
Director of Permit Services
San Joaquin Valley Unified
Air Pollution Control District
1999 Tuolumne Street, Suite 200
Fresno, CA 93721

Re: Proposed Federally Mandated Operating Permits

Dear Mr. Sadredin:

This letter provides our comments on nine proposed San Joaquin Valley Unified Air Pollution Control District (District) federally mandated operating permits received by EPA on August 5, 1997. During our review period, we discussed several concerns with the District, including issues that potentially could result in a formal EPA objection. The District has responded by working closely with us to address many of these issues. While EPA and the District have reached general agreement in many areas, there was inadequate time to address each concern prior to the end of EPA's 45-day review period. Although we will continue to work as before to resolve these issues, because our 45-day review is expiring, we must now respond to the nine permits as proposed.

Based on our review of the proposed permits and the supporting information, EPA formally objects, pursuant to our authority under 40 Code of Federal Regulations ("CFR") §70.8(c) (see also District Rule 2520, Section 11.7.1), to the issuance of the proposed permits for Texaco Trading and Transportation Inc., Stockton East Water District, Varco Pruden Buildings, CDR Systems Corporation, and E and J Gallo Winery. A detailed explanation of the objection issues and suggested changes to make the permits consistent with the requirements of Part 70 is enclosed. In addition, we are providing comments on the permit for Earthgrains Baking Companies, Inc. - Fresno Bakery.

Under 40 CFR §70.8(c), EPA may object to a proposed Part 70 permit which is determined not to be in compliance with applicable requirements, or fails to meet the requirements of Part 70. After EPA objects to a permit, the permitting authority has 90 days to satisfy the objection. If the 90 days pass without the objection being fully satisfied, section

A: \EPASJVLT.WPD

MAIL CODE						
SURNAME						
DATE						

U.S. EPA CONCURRENCES

OFFICIAL FILE COPY